

WEST VIRGINIA SECURITIES COMMISSION

STATEMENT OF POLICY

Requirements for Cover Legends

May 19, 2010

This Statement of Policy is adopted by the West Virginia Securities Commission pursuant to the authority of the Securities Commissioner of the State of West Virginia granted under Chapter 32 of the West Virginia Code. The West Virginia Securities Commissioner has determined that the following Statement of Policy relating to the requirements for cover legends is consistent with public investor protection and is in the public interest. The Commissioner may waive any requirement of this Statement of Policy for good cause, as he may determine.

I. INTRODUCTION. In order to effectuate the full disclosure of all material facts, the following legends shall be included on the cover of the prospectus or offering documents used for the purpose of offering and selling securities. The required language shall be prominently displayed in contrasting color or type.

II. REGULATORY DISCLAIMERS AND LEGENDS.

A. Coordinated Registrations.

One of the alternative legends contained in Item 501(b)(7) of Securities and Exchange Commission Regulation S-K shall appear on the cover page of any prospectus in an application to register securities under West Virginia securities law that will be registered with the SEC, as well.

B. Registrations that will not be registered with the SEC.

1. A legend shall appear on the cover page of any prospectus in an application to register securities that is filed with the Commissioner, and that will not be registered with the SEC. The legend shall embody each of the following items:

- a. The securities or offering has not been approved, disapproved, endorsed, or recommended by the Commissioner.
- b. The potential investor should make an independent decision whether the offering meets his or her investment objectives and financial risk tolerance.
- c. The Commissioner has not confirmed the accuracy or truthfulness of the disclosure, or whether it is complete.

2. The prospectus shall provide the above referenced items in clear, plain language. For example:

You Should Make Your Own Decision Whether This Offering Meets Your Investment Objectives And Risk Tolerance Level. No Federal Or State Securities Commission Has Approved, Disapproved, Endorsed, Or Recommended This Offering. No Independent Person Has Confirmed The Accuracy Or Truthfulness Of This Disclosure, Nor Whether It Is Complete.

C. Other Securities Offerings.

1. A legend shall appear on the cover page of any prospectus used in an offering subject to a notice filing under West Virginia securities law, that will neither be registered with the SEC, nor used in an offering under SEC Rule 506 of Regulation.
2. A legend shall appear on the cover page of any prospectus used in an offering not subject to state registration or notice filing under West Virginia securities law and exempt from registration with the SEC.
3. In regard to cover legends under Section II-C-1 and 2 of this Statement of Policy, these legends shall include the items cited in Section II-B-1-a through c of this Statement of Policy, and shall include the following additional items in clear, plain language:
 - a. The Commissioner has not reviewed the disclosure.

b. The issuer is relying on an exemption from registration by qualification.

4. In addition to the legend, the cover page of the prospectus shall include a statement that the investor may be required to hold the investment for an indefinite period of time, that other important risk factors are explained in detail in the prospectus, and that the nature of the offering's risk requires that investors meet minimum asset/income conditions.

Glen B. Gainer, III
State Auditor and
Commissioner of Securities

By: Lisa A. Hopkins
General Counsel
Senior Deputy Commissioner of Securities

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